

EXHIBIT B

Articles of Agreement

between

TESORO REFINING COMPANY
MARTINEZ CHEMICAL PLANT

and

UNITED STEELWORKERS
INTERNATIONAL UNION
Local No. 5

March 1, 2015

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PREAMBLE

This Agreement between Tesoro Refining Company's Martinez Chemical Plant (hereinafter referred to as the Company), and United Steelworkers International Union, Local 5 and/or their successors (hereinafter referred to as the Union), covering the employees hereinafter specified, of the Company at its Martinez Chemical Plant and pursuant to certification issued by the National Labor Relations Board April 26, 1954, as the result of a certification election held April 16, 1954, Case No. 20-RCA-2539.

ARTICLE 1**PERIOD OF AGREEMENT****Effective Date – Duration**

Section 1 – This Agreement shall be effective as of March 1, 2015 and shall remain in effect until February 28, 2019 and thereafter from year to year. Changes, Modifications, Etc.

Section 2a – Should either party hereto desire to change, modify, amend, or cancel this Agreement, written notice should be given by such party to the other at least sixty (60) calendar days, but not more than seventy-five (75) calendar days, prior to February 28, 2019 or prior to any anniversary date thereafter. If notice to change or amend is given, a conference shall be held to consider the proposed changes or amendments at least thirty (30) calendar days prior to the anniversary date immediately following the date the above notice is given, this agreement shall terminate on the anniversary date unless extended by mutual consent.

Section 2b – The Agreement may be opened by either party on February 28, 2019, for the sole purpose of negotiating straight time hourly rates. Either party desiring to so open the agreement must notify the other in writing at least sixty (60) calendar days prior to this date. Article 25 of the Agreement, entitled, "Strikes and Lockouts" shall be waived for the sole purpose of negotiations herein described if the parties are unable to arrive at a mutually acceptable agreement on straight time hourly rates by the respective date.

ARTICLE 2

RECOGNITION OF THE UNION AND DEFINITION OF BARGAINING UNIT

Section 1 – The Company recognizes United Steelworkers International Union and/or their successors as the sole collective bargaining agency with respect to rates of pay, wages, hours of employment and other conditions of employment for all production and maintenance employees employed at the Tesoro Martinez Chemical Plant of Tesoro Refining Company.

Section 2 – Salaried, laboratory, technical, office, clerical, watchmen-guards, and supervisors as defined in the Act (Labor-Management Relations Act of 1947 as amended and in effect April 26, 1954) are not part of the bargaining unit.

ARTICLE 3

PURPOSE AND INTENTION OF AGREEMENT

Section 1 – It is the purpose and intention of this Agreement to define wages, hours and working conditions and secure equitable disposition of grievances, thereby promoting and maintaining harmonious relations between the parties. It is also the purpose of this Agreement to advance the parties' mutual interests by maintaining and improving the manufacture of chemicals at the plant. Both parties recognize the duty and agree to maintain the fullest cooperation in good faith in order to maintain satisfactory manufacturing operations and to advance the cause of industrial peace.

ARTICLE 4

UNION SECURITY – MAINTENANCE OF MEMBERSHIP AND CHECK-OFF

Membership Requirements

Section 1 – All employees covered by this Agreement who are members of the Union on the effective date of this Agreement or who become members, thereafter, shall, as a condition

of employment, remain members of the Union in good standing for the duration of this Agreement.

Good Standing – Determination of

Section 2 – (A) A member shall be considered in good standing so long as he/she conforms to the Union's uniformly established requirements with reference to the payment of initiation fees and monthly dues.

Section 2 – (B) If any dispute arises as to whether an employee is or is not a member of the Union in good standing, the dispute shall be submitted to an arbitrator for decision which shall be final and binding upon all parties concerned. The arbitrator shall be appointed by the Company and the Union who shall share the expense of the arbitrator equally.

Check-off

Section 3 – (A) The Company will deduct Union initial fees and dues from the wages of employees who individually and voluntarily authorize such deductions in writing in the following form and will remit these dues to the proper officers to the Union:

Date _____

TESORO REFINING COMPANY
MARTINEZ CHEMICAL PLANT

You are hereby requested and unauthorized to deduct from wages due me and payable on the next regular payday the sum of \$_____ being my initiation fee, and on the second payday of each succeeding month the you by the Secretary-Treasurer of Local No. 5, on or before the 25th day of the calendar month, for which said deductions are made.

This assignment is voluntary and I understand that I may revoke it at any time in writing.

Badge No. _____ Signed _____

Section 3 - Upon receipt of an authorization signed by an employee the Company agrees to deduct from such employee's earnings and pay the Union during the life of this Agreement, an USW-PAF contribution. The form of such individual authorization shall be as follows:

USW-PAF Check-Off Authorization

I hereby authorize and direct (Employer) _____ to deduct from my pay the amount of \$_____ each pay period (or other specified time period), and to remit said amount immediately to the Financial Secretary of Local _____, as my voluntary contribution to USW-PAF. This authorization is a continuing authorization and shall remain in full force and effect unless and until specifically modified or revoked in writing by me.

(Date) _____ (Signature) _____

(Print or Type Name of Employee) _____

(Social Security Number) _____

Self Organization – Employee Rights

Section 4 – Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any and all such activities.

No Discrimination or Intimidation

Section 5 – The provisions of this Agreement shall be applied to all employees covered by this Agreement without discrimination as to race, color, religion, sex, age, or national origin, so long as such application is consistent with State and Federal law.

ARTICLE 5**HOURS OF WORK****Work Day – Work Week****Section 1**

(A) For the Maintenance Department employees, the normal work day shall consist of ten (10) consecutive hours, exclusive of meal time, Monday through Thursday in a week. The work week for pay purposes shall start at 10:01 p.m. Sunday and end at 10:00 p.m. the following Sunday. The normal schedule for day workers shall be between 6:00 a.m. and 4:30 p.m. The normal schedule for shift workers shall be 5:00 a.m. to 5:00 p.m.; and 5:00 p.m. to 5:00 a.m. Shift workers shall be permitted to leave up to fifteen (15) minutes prior to the end of the shift when they are properly relieved. For pay purposes, however, time will be calculated from the established schedules.

In the assignment of work schedules, the Company shall insofar as reasonably possible, arrange the scheduling of days off so that all employees will, over a period of time, have the benefit of their days off during the weekends. Days off shall be consecutive. No employee shall be required to lose time because of schedule changes.

(B) Work Week for Operations Department employees – Effective as set forth in Attachment 2, Operations Department employees will convert to 12-hour shifts consistent with Attachment 3.

Reporting Pay

Section 2 – When an employee is required to report for work on his/her regularly scheduled work day but is not given any work or is required to work less than four (4) hours he shall be paid four (4) hours at his straight time rate.

Exchanging Shifts

Section 3 – Employees shall have the privilege of exchanging shifts by individual arrangement provided:

- A. Their supervisor's or foreman's written consent is obtained, and
- B. The exchange can be accomplished without additional cost or penalty to the Company.

Meal Period

Section 4 – Employees working daylight hours in an activity not necessarily continuous in nature shall have a regularly designated meal period during the fifth hour from starting time, except in cases of emergencies, in which case they shall be given a meal period on Company time and allowed to continue to work until their normally scheduled quitting time.

Shift Operating – No Cessation

Section 5 – On continuous operations where two (2) or more shifts are employed, all shift workers are to remain on duty until relieved by the succeeding crews. There must be no cessation of activities but time shall be allowed during which workers will be permitted to eat their lunch or intermediate meal.

ARTICLE 6

OVERTIME AND PREMIUM PAY

Time and One-Half

Section 1 (A)

For Maintenance Department employees, time and one-half the straight time hourly rate will be paid for:

- A. Work performed by an employee in excess of ten (10) hours in the twentyfour (24) hour period commencing with the time the employee begins work.

- B. Time worked in excess of forty (40) hours in a work week.
- C. Work performed on the sixth (6) and seventh (7) consecutive days worked in the work week.
- D. Employees who perform overtime work shall not be required to take compensating time off from their scheduled work week.

Section 1 (B)

For Operations Department employees on a 12-hour shift schedule, time and one-half the straight time hourly rate will be paid consistent with the 12-hour provisions in Attachment 3.

Call-In

Section 2 (A)

- A. In the event an employee, who is off duty, is called in for work he/she shall receive pay for actual time worked at one and one half (1 ½) times his/her normal rate with a minimum payment of four (4) hours at his/her straight time rate. In the event no work shall be required of an employee called in, the employee shall receive pay for four (4) hours computed at their straight time rate. The minimum call-in pay provisions shall not apply in the case of employee attendance at meetings such as fire training, safety meetings, special training, or informational meetings.
- B. If a Maintenance Department employee scheduled as a day worker works overtime during the night for a period of six (6) or more hours with such work extending to within four (4) hours or less of the regular starting time on their regular scheduled work day, he/she shall be allowed to report for work at 12:00 noon that day and work the balance of their regular work day for which he/she will receive eight (8) hours straight-time pay.

No Pyramiding

Section 3 – In no case will an employee receive overtime and/or premium pay twice for the same hours worked. If time worked falls under two or more overtime classifications, the rate paid shall be the highest overtime rate applicable.

whose scheduled hours begin before 6:00 a.m. or end after 6:00 p.m. as follows:

Computing Overtime

Section 4 – For purposes of computing overtime under this article employees shall be paid in 15 minute increments.

Schedule Changes

Section 5 – Employees will be given notice of schedule changes forty (40) hours in advance of their new starting time. In the event the Company does not give such notice, payment for the time worked on the first day of the new schedule, will be paid at one and one-half (1/2) times the applicable rate.

Meals

Section 6 – If an employee is required to work in excess of two (2) consecutive hours beyond his or her scheduled hours and continuous with his or her regular shift, he/she shall be furnished a hot meal by the Company or at the employee's option a meal allowance of \$15.00. Thereafter he/she shall be furnished a hot meal after completing each additional continuous four (4) hours of overtime work (2 meals maximum). If it is not possible to obtain a hot meal, the company will furnish a cold meal. If provided, such meal will be ordered consistent with the Overtime Meal Ordering Procedure set forth in Attachment 4.

Overtime

Section 7 – All qualified employees are expected to work overtime when requested to do so during the week or on week-ends in order to perform work of a continuous nature; maintain production, safety, or compliance; or for timely completion of turnaround work. This necessary overtime work can occur whether the overtime hours are consecutive with the employee's regularly scheduled hours, or when called to return for additional work outside their regular working hours. The Company will provide the employee with as much advance notice as possible and recognizes that, upon occasion, the employee may be unable to fulfill an overtime obligation.

ARTICLE 7 NIGHT SHIFT BONUS

Hours Covered

Section 1 – A night shift bonus will be paid to any employee

- A. Maintenance Department employees will receive seventy-five cents (.75¢) per hour for the hours worked between 4:00 p.m. and 10:00 p.m. and one dollar and fifty cents (\$1.50) per hour for the hours worked between 10:00 p.m. and 6:00 a.m.
- B. Operations Department employees will receive a night-shift differential of one dollar and fifty cents (\$1.50) for hours worked between 5:00 p.m. and 5:00 a.m.

Overtime

Section 2 – An employee entitled to a night shift bonus and working at overtime rate shall have his/her overtime pay calculated on the total of his/her straight time rate plus any applicable night shift bonus that may be due on account of work performed on the night shift bonus hours.

Based on Assigned Shift

Section 3 – The shift to which the employee is assigned rather than clock hours worked shall be the determining factor in the payment of shift differentials.

ARTICLE 8 HOLIDAYS

Rate of Pay

Section 1 –

- A. All work, whether or not in excess of eight (8) hours, performed on the following holidays shall be paid for at two and one-half (2 ½) times the normal rate of pay:

New Year's Day
Martin Luther King Jr. Day
Memorial Day
Independence Day
Labor Day

Veterans Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

- B. In addition, a tenth (10th) day is designated as a

holiday as follows:

The tenth (10th) holiday will be designated as the day before or the day after Christmas (as the case may be to provide a four-day weekend), except when Christmas falls on Wednesday, the day preceding Christmas will be designated as the tenth (10th) holiday.

Holiday Call-In

Section 2 – If an employee is called out to perform work on any of these holidays, he/she shall receive a minimum of thirteen (13) hours pay computed at his/her straight time rate.

Holiday Not Worked

Section 3 – An employee who works their regularly scheduled work day immediately preceding or following a holiday listed above, shall receive his/her regular straight time pay for eight (8) hours for such holiday not worked; provided, however, that if such employee works any portion of such holiday, the number of hours for which he/she shall receive his/her regular straight time pay under this subparagraph shall be reduced by the number of hours worked.

Saturday/Sunday Holiday

Section 4 – When one of the above holidays falls on Saturday or Sunday, regularly scheduled rotating shift workers and daytime workers regularly scheduled to work on that calendar day will observe it on that day.

For employees covered under the 4/10 schedule agreement, when a holiday falls on Friday or Saturday, they shall observe the holiday on the preceding Thursday and will receive eight (8) hours holiday not worked pay. When a holiday falls on a Sunday they shall observe the holiday on the following Monday and will receive eight (8) hours holiday not worked pay. When a holiday falls on a scheduled workday, such will be granted as time off pursuant to the Articles of Agreement and pay shall reflect eight (8) hours holiday not worked.

ARTICLE 9 VACATIONS

Eligibility

Section 1 – Benefits schedule: Full-Time employees will be credited with a proportional amount of paid vacation based on years of service according to the following Vacation Benefits Schedule.

Each employee will earn annual vacation up to the following limits:

	(40 hr workweek) 9/80, 10hr and 8hr schedules	(42 hr workweek) 12hr schedules
Date of Hire Through Year 4	80 Hrs	84 Hrs
After 5 years of service	120 Hrs	126 Hrs
After 10 years of service	160 Hrs	168 Hrs
After 20 years of service	200 Hrs	210 Hrs
After 30 years of service	240 Hrs	252 Hrs

Section 2 – Vacation is taken and recorded in hours based on the scheduled hours of work that day. Each week of vacation, as outlined above, shall consist of seven (7) consecutive calendar days. Upon approval of the Company, or if department operations so require, vacations may be arranged in separate periods.

Vacation Accrual

Section 3 – All eligible employees will begin earning vacation privileges, as set forth above, beginning January 1, 2013. Thereafter, vacations may be arranged by the Company consistent with seasonal or other operations. Employees in their first year of service are not eligible to utilize any time in their vacation bank.

Holidays

Section 4 – If any holiday specified in this Agreement occurs while an employee is on vacation, and but for the vacation, he would have received holiday pay in accordance with Article 8, he will receive eight (8) hours holiday pay at his straight time rate or an extra day of paid vacation at eight (8) hours. The employee's preference regarding the additional pay or the additional time off must be expressed prior to the posting of vacation schedules.

Scheduling

Section 5 – Vacations will be scheduled between January 1 and December 31. Employees will be invited to express their preference as to vacation periods. In the assignment of vacation times the Company will, insofar as practicable, comply with these requests, giving preference to requests of senior worker. Vacation schedules will be made available by November 15.

Terminated Employees

Section 6 – An employee whose service with the company terminates for any reason will be paid in lieu thereof for all vacation remaining in their available vacation bank.

ARTICLE 10 LEAVES OF ABSENCE

Union Business

Section 1 – If any employee desires a leave of absence in order to engage in any business pertaining exclusively to the business of the Union and the Union makes written request to the Company, said leave will be granted by the Company, and shall not affect such employee's seniority insofar as the provisions of this Agreement are concerned. Accumulated leave under this provision shall not exceed two (2) employees at one time, nor shall it total more than twelve (12) months leave in any one calendar year. No single leave shall extend beyond one (1) year, but it may be renewed with the consent of the Company. In addition to the above leaves, the Company shall, upon written request by the Union, grant limited leaves of absence without pay to not more than three (3) employees at any one time. These leaves shall not exceed thirty (30) days and shall not exceed a total of sixty (60) man-days per year. Above leaves are without pay.

Personal

Section 2 – Upon written application to the Company, employees with one (1) or more years of continuous service, shall be granted, if practicable, leaves of absence without pay, for justifiable personal reasons or emergencies.

Bereavement Leave

Section 3 – In the event of death of an employee's spouse, child, mother or father, brother or sister, mother-in-law or father-in-law,

brother-in-law or sister-in-law, son-in-law or daughter-in-law, grandchild, grandparents, or any other relative living within the employee's household, he/she shall be granted the time to attend the funeral, not to exceed any three (3) consecutive working days, one of which shall be the day of the funeral. He/she shall receive pay for any of these days for which he/she was scheduled to work. The rate of pay shall be that of the employee's classification at the time such absence occurs. Employees who attend the funeral of a covered relative where such services are conducted out of state, shall be granted the time to attend the funeral, not to exceed any five (5) consecutive working days one of which shall be the day of the funeral. He/she shall receive pay for any of these days for which he/she was scheduled to work. The rate of pay shall be that of the employee's classification at the time such absence occurs. Employees can utilize bereavement leave while on vacation after appropriate notification to the Company. Vacation days not taken due to bereavement leave must be rescheduled in accordance with vacation policy guidelines.

ARTICLE 11 JURY SERVICE

Section 1 – In the event an employee is called for examination for jury service, or for jury service, or as a witness by court subpoena other than an adverse witness in a case against the Company, such employee will be given the necessary time off without loss of pay for the time he/she is required to be absent provided that the employee's pay for purposes of this paragraph shall be computed at the rate of the employee's classification without benefit of shift differentials or overtime.

ARTICLE 12 CLASSIFIED EMPLOYMENT

Section 1 – All work particular to any classification shall be done by employees regularly assigned to that classification whenever practicable. Any dispute arising under this Article will be handled in accordance with Article 18 of this Agreement.

Section 2 – The Lead Mechanic classification will be consistent with the terms in Attachment 5.

Section 3 – The Mandatory Standby in Operations Procedure

set forth in Attachment 6 will be implemented as provided in Attachment 2.

Section 4 – The Parties agree to continue the Skills Enhancement Incentive Program for Chemical Plant Maintenance Department Employees in Attachment 7 to this Agreement.

Section 5 – Nothing contained in this Article or Attachment 2 represents a guarantee of positions or work, nor modifies the Company's right to determine staffing and schedules.

ARTICLE 13

SERVICE LETTERS AND REPORTS ON UNSATISFACTORY WORK

Unsatisfactory Report

Section 1 – The Company will conscientiously take steps to bring to the employee's attention from time to time their opinion of the employee's work performance and conduct, whether favorable or unfavorable. When the matter or matters leading to an unfavorable report are brought to an employee's attention, he will be given an opportunity to discuss and explain the particular circumstances involved in such matters. Thereafter the supervisor will, if he makes a written record of such discussion, provide the employee with two copies thereof. Such report shall be made within twenty-one (21) calendar days of the discussion. In taking disciplinary action the Company will not take into account any unsatisfactory work report recorded against any employee more than eighteen (18) months previously. With the exception of the above time limitation, these reports will be given due consideration in the light of other pertinent information in cases of disciplinary action.

Service Letter

Section 2 – Upon termination (whether discharge, layoff or resignation) any employee to whom this Agreement applies may obtain from the Company, upon request, a service letter indicating the positions he/she has held and the period worked in each position. The Company shall not be required to make any comment concerning the character or quality of work performed.

ARTICLE 14

HEALTH AND SAFETY

Section 1 – Both the Company and the Union recognize that safe and healthy working conditions and practices are essential in the prevention of personal injury, illness and damage to equipment. It is therefore agreed that suggestions to the Company from employees individually or through their representatives, may be made in this field, preferably in writing. The Company will promptly acknowledge all such written suggestions in writing, when addressed to proper Company representatives, and will investigate their merit. The Union, on the other hand, will encourage its members to work in a safe and healthy manner and to cooperate with the Health and Safety Program. The Union will select one member of the Plant's General Safety Committee to serve on an annual basis.

ARTICLE 15

CLOTHING DAMAGE

Section 1 – Where employees in the course of their regular employment are exposed to fire, acids, caustics, or other chemicals injurious to person and/or clothing, the Company will furnish protective wearing apparel and equipment (including goggles) when deemed necessary, to those working on the job or the Company will give appropriate compensation to such employees for damage to clothing caused through failure to provide such protection.

Section 2 – The Company will make available rain apparel to employees required to work in unprotected areas during inclement weather.

Section 3 – Safety work shoes will be provided by the Company up to one pair per year per employee. The wearing of safety shoes will be required when working in the plant.

ARTICLE 16

BULLETIN BOARDS AND MEETINGS

Section 1 – The Company will provide a bulletin board or boards at convenient locations within the plant where they may

be seen by employees entering and leaving their places of employment. These may be used exclusively by the Union for notices indicating the time and place of meetings. Notices covering other items must be approved by the local management before posting.

Section 2 – There shall be a monthly Union-Management meeting. The parties will exchange their agenda items five days in advance of the meeting.

ARTICLE 17

PERMISSION TO ENTER

UPON COMPANY PROPERTY

Section 1 – Upon proper application, stating the purpose, number of representatives and estimated time, and upon proper clearance by the Martinez Refinery Manager or his designated representative, accredited representatives of the Union will be granted the privilege of entering upon Company property, if not contrary to Government agency restrictions, during daylight hours to transact business of the Union. Not more than two (2) such representatives shall be granted the privilege of entering upon Company property at any one time and their activities shall not result in loss of working time of employees. Business of the Union shall be construed to mean posting of meeting notices or assisting in settling grievances. The Company shall not be liable in any way for injuries suffered by such representatives while on plant premises.

ARTICLE 18

GRIEVANCES

Grievance Committee

Section 1 – A Grievance Committee shall be selected by the Union. Such committee shall not exceed five (5) members and shall include as nearly as possible one (1) man from each department. The members of the Grievance Committee shall be employees of the Company to whom this Agreement applies and shall be actively employed. The Union shall notify the Company in writing of the names of the Grievance committeemen who are authorized to represent the Union in grievances.

Stewards

Section 2 – A steward may be selected by the Union from

among the active employees in the department which he/she is to represent, subject to the following:

- A. The duties of the steward unless extended by mutual consent shall be limited to the handling or assistance in handling grievances within the department from which he/she is selected to serve.
- B. The steward shall be limited in the handling of grievances to the procedural step Employee-Foreman, set forth in this Article, but may be used in subsequent procedural steps for the purpose of relating the findings of his investigation with respect to the grievance being processed.
- C. A steward will, upon application to his/her supervisor or foreman, be permitted to leave his/her work during working hours for reasonable periods to perform his/her duties under these Articles of Agreement. No steward shall leave his/her job while his/her presence is necessary for the safe conduct and efficiency of the operation in which he/she is engaged.
- D. The Union shall notify the Company in writing of the names of the stewards authorized to represent employees of the Company.

Grievances

Section 3 – Any individual employee or group of employees shall have the right at any time to present grievances to the Company. The general subject of wages, hours, and working conditions, so far as covered by this Agreement, shall not be considered a grievance within the meaning hereof except so far as the applicability thereof to a particular case may make it a matter of direct individual concern to the employee or employees asserting the same. Should a dispute arise over the assignment of work the job in question will be carried on without interruption and prompt steps taken to resolve the dispute in the manner outlined in Section 4 of this Article.

Grievance Procedure

Section 4 – Grievances shall be handled as follows:

- A. The employee shall first seek direct adjustment with his/her foreman or supervisor. In submitting a grievance to his/her foreman or supervisor, the employee may be accompanied by the steward assigned to the group in which the employee is employed.

- B. The foreman or supervisor shall give his/her decision on the grievance to the employee within seven (7) calendar days from the time the grievance is submitted to him/her. If the grievance is submitted in writing, the foreman's or supervisor's decision shall be in writing.
- C. If the grievance is not settled satisfactorily by the foreman or supervisor it may within five (5) days be presented to the Grievance Committee herein referred to. The Grievance Committee shall have the right to meet with the local Management of the Company for the purpose of discussion of the grievance. The Grievance Committee must make written request for such meeting within seven (7) days of receipt of the grievance from the employee, accompanying their request with a copy of the grievance. The Company and the Grievance committee shall meet within seven (7) days of receipt of such request at a time and place designated by the Company, and the local Management of the Company shall give a written decision to the employee and to the Grievance Committee within a fourteen (14) day period following the meeting herein referred to.

Arbitration

- D. If the grievance is not settled as a result of the foregoing, the Union may within thirty (30) days after the receipt of local Management's written decision in the last step of this procedure request arbitration thereof. The Martinez Refinery Manager may act as or may designate one arbitrator. The District Director of the Union may act as or may designate one arbitrator. The two arbitrators so selected shall meet within fourteen (14) days from the date of the Company's receipt of the Union's request for arbitration, and attempt to settle the grievance. Failing to reach agreement on a settlement of the grievance, the two arbitrators so selected shall select a third person to act with them, and the decision of any two shall be final and binding on all persons concerned. In case the two arbitrators fail to agree on the third arbitrator within a period of forty-five (45) days, they shall request the Director of the Federal Mediation and Conciliation Service to submit the names of five (5) persons, one of whom could serve as the third arbitrator. The Union representative and the Company representative will alternately strike names from the list until only one name remains and this person

will then serve as the third arbitrator. Expense of the third arbitrator shall be equally shared by the Company and the Union. Arbitrators shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as shall be necessary to the determination of grievances submitted to them, but they shall have no jurisdiction or authority to alter in any way the provisions of this Agreement.

Timely Filing of Grievances

- E. It is agreed that no adjustment shall be made on any grievance unless the grievance has been so presented to the local Management within thirty (30) days after its occurrence.
- F. In all above references to numbers of days, Saturdays, Sundays, and holidays shall not be included in the total with respect to the handling of grievances, except as shown in Section 4, Paragraph B.
- G. No employee shall be terminated except for just cause. No grievance arising out of the termination of an employee shall be given consideration unless presented to local Management of the Company in writing within seven (7) days after the termination. Any adjustment made on a grievance arising from the termination of an employee shall be determined at the time the grievance is settled.

Time Off Without Pay Loss

Section 5 – For the purpose of settling grievances or attending Company-Union meetings at reasonable times and on Company premises, employee representatives of the Union shall be granted reasonable time off without loss of pay when such time falls within their scheduled working hours. In applying this provision, the Company will pay up to a total maximum of 48 man-days (384 hours) during the term of this Agreement for time which falls within the scheduled working hours of members of the Grievance committee and/or the Negotiating Committee.

ARTICLE 19

ASSIGNMENT ON RETURN FROM DISABILITY LEAVE

Section 1 – In case an employee becomes incapable of perform-

ing his/her work through accident or sickness the Company will, if proper work is available, provide such work as the employee is capable of performing. When such employee is capable of returning to his/her former duties he/she shall be placed in the classification in which he/she would then be working had he/she not been absent. Promotions, demotions and layoffs of such employee and all other employees to whom this Agreement applies shall be governed by the provisions of Article 24. When, as a result of accident or illness, an employee is required to absent himself/herself from work for a period longer than that covered by sick leave, he/she will, provided such absence has been authorized by the Company, be permitted to return to work under the same conditions as last provided above. Continuity of service for the purposes of this Agreement shall not be affected by any temporary absence of the nature contemplated in this Article except as provided in specific Benefits Plans.

ARTICLE 20 BENEFIT PLANS

Section 1 – Security plans and benefits arranged by the Company for employees generally shall be available to employees covered by this agreement.

“Security Plans” and “Benefits” include:

- Company sponsored medical plan
- Company sponsored dental plan
- Long Term Disability Plan
- Thrift Plan (401K) Plan
- Company sponsored Pension Plan
- Company Vacation Plan
- Company sponsored Short Term Disability plan

The conditions, rules and regulations of such security plans and benefits as established by the Company shall determine all questions arising thereunder. Site specific plans shall be governed by the applicable plan documents which shall determine all questions arising thereunder. The Company shall make detailed information covering the provisions of such security plans and benefits available to the workers committee and employees upon their request either in writing or electronically.

ARTICLE 21 VALIDITY

Section 1 – If any court shall hold any part of this Agreement invalid, such decision shall not invalidate any other part of this Agreement.

ARTICLE 22 WAGE RATES AND CLASSIFICATION CHANGES

Bi-Weekly Pay

Section 1 – The Company shall pay its employees bi-weekly in accordance with wage rates as set out in Appendix “B” attached hereto and by this reference made a part hereof.

Effect of Transfers on Pay Rate

Section 2 – An employee’s rate of pay shall be governed by this permanent job classification subject to the following:

- A. Upon transfer to a higher rate job the rate of the job shall apply when the employee assumes responsibility for the job.
- B. Transfer to a lower rate classification will result in direct payment of the rate of the lower rated classification.
- C. If an employee is assigned for a total of four (4) hours or less to a higher paid full-time classification during any work day he/she shall receive a minimum of four (4) hours pay at the higher classification. If he/she is assigned to the higher full-time classification for a total of more than four (4) hours during any work day he/she shall receive a minimum of eight (8) hours pay in that classification.
- D. An employee assigned to a job indicated as an intermittent job (no employee permanently assigned) on Appendix “B” to this Agreement for a total of two (2) hours or less during a work day will receive a minimum of two (2) hours at the rate of the intermittent job if his/her regular rate of pay is less than the rate of the intermittent assignment. If any employee is assigned for more than a total of two (2) hours to an intermittent job his/her rate will be deter-

mined in two (2) hour increments at the higher rate. In the event of a temporary shutdown in an operating unit or units, employees of that unit temporarily assigned to other duties shall not have their wages reduced during such temporary shutdowns.

- E. To qualify for holding an ERT position, employees must be physically qualified to perform all of the duties of a member of the ERT. For the purposes of this document, a member of the ERT means: Members in good standing from Emergency Response Team, Fire Brigade, Rescue, Oil Spill and Hazmat Industrial Technicians.

All ERTs have a requirement of two days training per quarter on days off, for which they will be paid overtime.

All ERTs will be provided physical examinations to determine qualifications.

The following incentives are provided for an ERT member:

- **Gym Discount:**
\$20 per month reimbursed once every six months upon proof of membership during that six months and continuation as qualified ERT, including attending required training, and actively participates in the ERT program.
- **Wage Incentive:**
Twenty-five (\$0.25) cents per hour for all hours worked will be paid as a premium for employees qualified as ERTs who continue to meet ERT qualifications, including required training, and active participation in the ERT program.
Members of the Emergency Response Team will be paid double time for the time spent responding to a Company declared emergency event. The following will apply in this matter:
 - (a) Incident must be declared an emergency via the refinery's Emergency Response system.
 - (b) On duty personnel must have appropriate supervisor's approval to leave current on duty assignment, before responding to a declared emergency.
 - (c) This pay rule will apply to the first 12 hours of a declared refinery emergency only.

- (d) The start time and stop time of the event, for purposes of determining pay, will be determined by designated Company personnel.

ARTICLE 23

PROMOTIONS, DEMOTIONS, LAYOFFS

Seniority Defined

Section 1 – For the purposes hereof, the following definitions shall be applicable: Plant seniority is the total accumulated time an employee has within the Martinez Chemical Plant of the Company in any classification covered by this Agreement. Department seniority is the total continuous time an employee has in a particular department. If an employee works in a classification not covered by this Agreement for a period in excess of ninety (90) consecutive days he/she shall lose all prior seniority rights.

Departments Defined

Section 2 – Departments are defined as the general groupings of the related units of the plant and divided from the other unit or units by a vertical double line through the chart, Appendix "B" hereto attached, and by this reference made a part of this Article.

Promotions – Qualifications

Section 3 – In making promotions and/or filling vacancies the Company will give equal consideration to an employee's seniority, ability and efficiency.

Seniority, insofar as it is applicable in making promotions and/or filling vacancies shall be department seniority above the red line indicated on Appendix "B" and plant seniority in classifications below the red line.

Promotions above the red line on Appendix "B" shall be made from within the department in which the vacancy occurs.

When an employee who is selected for promotion does not have the greatest length of service, any employee having a greater length of service and eligible for consideration for such promotion shall be advised by the Company (in advance when possible) why he/she was not selected for such promotion.

Filling Vacancies

- A. Vacancies will be advertised within the plant for a period

of seven (7) days exclusive of Saturdays, Sundays and holidays as defined herein. Job postings will indicate whether the job is permanent or temporary. The name of the successful bidder will be posted within three (3) calendar days from the closing date of the bid. In filling vacancies, preference will be given to employees already in the department in accordance with their department seniority.

In those departments where there are two (2) or more jobs classified in the same wage bracket, the resulting vacancy caused by the job award shall be filled by promotion from a lower wage bracket except that a second lateral movement in the same wage bracket may be made if the employee has been previously trained on the job to the extent that only brush-up training is necessary.

Temporary jobs shall be filled only by promotion from a lower wage bracket.

Employees permanently assigned to a job within a wage bracket may not transfer or be transferred to another job in the same wage bracket except as provided above.

- B. A temporary job is one that is a replacement for an employee absent from a permanent job or any new job created for a limited time period. Temporary jobs of the latter description are subject to review with the Plant Steward when the agreed-on limited time period expires. All other jobs shall be considered permanent. Temporary vacancies will be filled as set forth in paragraph "A" of this section. An employee selected to fill a temporary vacancy shall remain on the temporary job for the duration of the vacancy but will continue to accrue departmental seniority in his/her permanent classification. This shall not prohibit the temporarily assigned employee from applying for any permanent vacancy or any other higher rated temporary job.
- C. Refusal to accept promotions shall not jeopardize an employee's opportunity for future promotions.
- D. Department seniority may only be accumulated in one department at a time. If within ninety (90) days after

permanent promotion or transfer of an employee to a different position for a justifiable reason, or the employee proves deficient in ability to handle the same, he/she shall be returned to his/her former position without loss of seniority therein.

- E. When an employee has been selected to fill a vacancy and cannot be released to the new position at once, or cannot report to the job by reason of personal illness, injury, or his/her being on vacation, his/her seniority on the new job when he/she becomes so placed, will be established as of the date he/she would have started in the new position.
- F. An employee filling a temporary job may not exercise his/her seniority to displace a permanent employee, but shall at the completion of the temporary job be returned to his/her permanent classification.

Demotions

Section 4 – In making demotions from any classification above the red line on Appendix "B" the employee or employees having the least department seniority will be demoted first. Demotions from any job above the red line will be to the first lower classification held by any employee with less department seniority in this same department as follows:

1. Applying department seniority, demote junior employees from all classifications being reduced.
2. Fill resulting vacancies with employees being demoted from a higher rated classification and excess employees in the classification where vacancies exist.
3. If more than one vacancy exists in any classification, employees being demoted from a higher rated classification and excess employees in the classification in which the vacancies exist will select their jobs from amongst existing vacancies on the basis of department seniority.

An employee about to be demoted to a job below the red line may elect to take the job held by the employee with the least plant seniority in any department between the red and blue lines on Appendix "B", provided he/she has more plant seniority than the employee replaced.

An employee in a job above the red line may transfer into another department only by applying for the first posted job above

the red line when a vacancy exists in that job except as provided above.

Reduction of Force – Layoff

Section 5 – When layoffs take place the principle of seniority shall be observed – that is, the last employee hired shall be the first to be laid off, provided an employee with greater seniority has the ability to perform the work with a reasonable break-in period.

When a reduction of force is necessary, the Company will give the Union a list of names of the employees affected. The employees about to be laid off shall be notified ninety (90) days in advance of layoff. The Union shall receive like notification.

Re-Employment

Section 6 – On re-employment due to increased activity following layoffs because of curtailment or lack of work, recalling shall be governed by the Company's requirements for employees of different classifications. Employees will be called to fill these classifications in accordance with plant seniority insofar as workers are available who still retain their seniority rights. In the event any former employee is given notice at his/her last known address by oral advice direct to him/her or by written notice left thereat, confirmed in either case by first class mail, within twenty-four (24) hours after original notice, of opportunity for re-employment and does not accept the employment offer within seventy-two (72) hours after original notice, he/she shall lose all right to consideration by the Company for re-employment in any job then available.

Any person accepting re-employment shall be required to appear for work within seven (7) calendar days from date notification was given or mailed. Whenever circumstances do not permit the elapse of time or the giving of notice as herein provided, the Company shall make reasonable effort to locate a senior man/woman, and shall have the right to employ that man/woman of those they succeed in locating within the time allowed, having the greatest length of service, but this shall not abrogate the seniority rights of any employee who complies with the reporting requirements above.

New Departments

Section 7 – The Company may at any time establish new departments or regroup any departments now appearing on the

chart marked Appendix "B". If such changes in any way affect the status of the employees concerned for the purpose of this Article, such status shall become a matter of determination between the Company and the Grievance Committee and shall become a part of this Agreement when approved by the Company and the Union.

New Employee – Probationary Period

Section 8 – A new employee shall be required to work a trial or probationary period which will include the duration of the new hire training and sixty (60) days thereafter before the seniority rules outlined herein shall apply to him/her other than for purposes of job bidding, and after such period the new employee's seniority shall be retroactive to the date of hire. Any employee who, after qualifying for seniority rights under the preceding provisions, is terminated and is not rehired within one hundred eighty (180) days shall, if later rehired, have his/her length of service computed from the first day of work after such rehire.

Limitations

Section 9 – In the event an employee is laid off through no fault of his/her own, he/she will not lose continuity of service for purposes of promotions, demotions, layoff, and re-employment if rehired by the Company within one year after his/her termination or in the case of any employee whose service with the Company has been continuous for three (3) years prior to his/her termination if rehired by the Company within two (2) years after his/her termination; however, in determining the employee's total length of service, the time he/she is off the payroll shall not be included. Anyone not rehired within the time applicable to him/her as specified shall lose all seniority rights for reemployment by the Company.

Unqualified, Unsuitable Employee

Section 10 – The Company shall not be required to employ any person on or for any work or place or continue any employee on a job for which he/she is not qualified and any employee found unsuitable for the work to which he/she is assigned shall be demoted to a job for which he/she is qualified or shall be laid off if there is no available job for which he/she is qualified held by an employee with less seniority.

Seniority Lists

Section 11 – Lists showing length of service shall be compiled and be available at reasonable times in the Human Resources Office to the Grievance committee and employees. The Company

will also furnish the union semi-annually, with a list of all employees in the Martinez Chemical Plant covered by this Agreement.

List of Promotions – Transfers, Complaints

Section 12 – The plant shall prepare at monthly intervals and post on bulletin boards a list of transfers and promotions, other than temporary, of employees to whom this Agreement applies, working in that plant. Any complaints arising from any such transfers or promotions shall be handled in accordance with the grievance procedure outlined in this Agreement; however, no consideration shall be given any such complaint unless the complaint is presented in writing by the employee or by the Grievance Committee to the local Management within thirty (30) calendar days after the availability of the monthly list or job award posting, whichever is earlier in connection with which the complaint is made, and for the purposes of Article 18 hereof, the grievance shall be deemed to have occurred on the date of availability of the appropriate list herein referred to. The Company will send the Union one copy of this monthly posting.

Supervisory Employees

Section 13 – Supervisory employees will not perform duties normally performed by employees within the bargaining unit to such an extent as to deprive hourly paid employees of work. This shall not prevent such supervisory employees from performing the necessary functions of instruction, investigation, or from operating process equipment or processes in emergencies, or for experimental purposes.

ARTICLE 24 TRAINING

Section 1

- A. A No. 2 Mechanic (Trainee) classification shall be established to provide mechanical assistance in the plant and to permit the training of employees of this plant in the skills necessary for the performance of No. 1 Mechanic work. The Union shall be notified of the number of employees assigned to this classification.
- B. Vacancies in the No. 2 Mechanic (Trainee) classification shall be filled in accordance with Article 23 of this Agreement.
- C. Employees on assignment to the No. 2 Mechanic (Trainee) classification shall receive the starting rate of the classification as specified in Appendix "B". Providing satis-

factory progress is made, the employee so assigned shall progress in increments of 10¢/hour each six (6) months up to the classification maximum.

- D. An employee in the classification of No. 2 Mechanic (Trainee) shall be advanced to the classification of No. 1 Mechanic according to the needs of the Company after:
 - 1. A minimum of two years of service in the classification of No. 2 Mechanic (Trainee).
 - 2. Demonstrating that he/she possesses the necessary qualifications for No. 1 Mechanic's work.
- E. An employee in the classification of No. 2 Mechanic (Trainee) will be encouraged by the Company and the Union to acquire the necessary skills to advance to the No. 1 Mechanic classification.
- F. The No. 2 Mechanic (Trainee) shall not be called in outside of regular working hours to work alone unless they are qualified to work on the job in question and no qualified No. 1 Mechanic is available.
- G. A training requirement record shall be established for this classification by the Company.

Section 2

A. An Operator Helper Trainee (OHT) classification will be established to permit the training of employees of this plant in the skills necessary to become an Operator B or an Operator A. The employee will be paid at the rate for this classification until they qualify for the Operator B position, at which time they will be paid the Operator B rate.

ARTICLE 25

STRIKES AND LOCKOUTS

Section 1 – During the life of this Agreement no strike shall be called or sanctioned by the Union and no lockout shall be entered upon by the employer. In the event of such strike or work stoppage, not sanctioned, caused, called, authorized or supported by the Union, there shall be no liability on the part of the Union, its officers or agents, if it cooperates with the Company and takes positive action in good faith and sincerity to influence such employees to cease such strike or work stoppage and return and remain at work.

ARTICLE 26
NOTICES

Section 1 – Any notices provided for here may be given by depositing same in the United States Mail in a sealed envelope, registered and postage prepaid, and addressed as specified below:

To the Union:

United Steelworkers International Union
USW District 12 Director
3150 Carlisle Blvd., NE
Suite 110
Albuquerque, NM 87110

With Copy to:

United Steelworkers International Union
Local 5
1333 Pine Street, Suite A
P. O. Box 349
Martinez, CA 94553

To the Company:
Tesoro Refining Company
Martinez Refinery
150 Solano Way
Martinez, CA 94553

ARTICLE 27
FILLING ABSENCES

IN CONTINUOUS OPERATIONS

Section 1 – When an absence occurs in a job that is to be carried on without interruption or without a reduction in workload the Company will make every effort to replace the absent employee.

ARTICLE 28
RATE RETENTION

Section 1 – For the term of the Agreement, the wage rate of each regular permanent employee who subsequent to March 1, 1988, through no fault of his/her own, is demoted to a lower paid

classification than the one to which he/she has been permanently assigned for a period of 120 consecutive calendar days or more, and remains in the lower classification through no fault of his/her own, will be continued at the higher rate for the below-stated eligibility period.

The rate retention eligibility period shall be 18 consecutive weeks following the demotion, except that for an employee with 15 or more years of plant seniority, it shall be 18 weeks plus an additional week for each completed year of plant seniority.

In the application hereof, the parties intend that if an employee while he/she is on rate retention, is promoted to his/her former, or an equal or higher classification, but is subsequently, within less than 120 consecutive calendar days following the promotion, again demoted through no fault of his/her own, and remains in the lower classification through no fault of his/her own, then he/she will be entitled to the unused balance of the period of this previous rate retention eligibility.

ARTICLE 29
PRIOR AND COLLATERAL AGREEMENTS

Section 1 – This Agreement shall constitute the entire Agreement between the Union and the Company relating to the employees to whom this Agreement applies, and no other stipulation or understanding shall limit or qualify its terms provided however, this Agreement shall be subject to modification by mutual written agreement of the parties hereto. This Agreement shall as of the commencement date hereof, cancel and supersede all prior agreements between the Union and the Company relating to the employees to whom this Agreement applies.

Section 2 – In witness whereof, the parties hereto have caused this Agreement to be executed this March 1, 2015.

TESORO REFINING COMPANY
Martinez Chemical Plant

By: _____
Thomas Lu

By: _____
Justin Lawrence

UNITED STEELWORKERS INTERNATIONAL
UNION LOCAL 5

By: _____
Ron Espinoza

By: _____
Antonio Garcia

APPENDIX "A"

- (1) Applicable rates for all classifications are set forth in the appropriate classification in Appendix "B".
- (2) Mechanic No. 1 classification covers:
Electrician
Machinist
Fitter-Welder
Instrument Repairman
Carpenter, Painter, Insulator
Crane Operator

APPENDIX "B"

MARTINEZ CHEMICAL PLANT

	HOURLY WAGE RATES			
	4/1/15	3/1/16	3/1/17	3/1/18
Operations				
Head Operator	\$42.21	\$43.48	\$44.78	\$46.35
Shift Broker	\$42.21	\$43.48	\$44.78	\$46.35
Board Operator	\$41.00	\$42.23	\$43.50	\$45.02
Operator A	\$39.58	\$40.77	\$41.89	\$43.46
Outside Operator	\$39.58	\$40.77	\$41.89	\$43.46
Operator B	\$35.18	\$36.24	\$37.33	\$38.64
Operator Helper Trainee (6-12 Mos)	\$35.18	\$36.24	\$37.33	\$38.64
Operator Helper Trainee (0-6 Mos)	\$33.77	\$34.78	\$35.82	\$37.07
Maintenance				
Head Mechanic Instrument Analyzer Specialist	\$47.02	\$48.43	\$49.86	\$51.63
Instrument Analyzer Specialist	\$43.49	\$44.79	\$46.13	\$47.74
Head Mechanic Specialist	\$45.75	\$47.12	\$48.53	\$50.23
Specialist	\$42.21	\$43.48	\$44.78	\$46.35
Head Mechanic	\$43.11	\$44.40	\$45.73	\$47.33
Mechanic 1 st Class	\$39.58	\$40.77	\$41.99	\$43.46
Mechanic 2 nd Class – Trainee	\$35.78	\$36.85	\$37.98	\$39.29
Mechanic 2 nd Class – Trainee Start	\$35.44	\$36.50	\$37.60	\$38.92
Laborer				
Laborer Special	\$27.69	\$28.52	\$29.38	\$30.41
Laborer	\$24.66	\$25.40	\$26.16	\$27.08

LETTER OF AGREEMENT

During the Martinez Refinery Chemical Plant 2009 negotiations, Martinez Refinery ("Company") and USW Local 5 ("Union") have discussed the desirability of using all available Company resources at both the Martinez Refinery and the Chemical Plant. During these discussions, the Union's Committee for the Chemical Plant indicated to Company representatives that there was no objection to the following activities being performed by Refinery employees for the Chemical Plant. It is the understanding of Martinez Refinery and the Union that this Letter of Agreement in no way modifies or amends the Martinez Refinery Agreement.

1. Safety Inspectors under the Refinery contract being trained and performing safety-related work at the Chemical Plant.
2. The Training Coordinator under the Refinery contract working with Chemical Plant employees and managers to facilitate the training of Chemical Plant employees.
3. Any other work permitted to be done in the past by Refinery employees at the Chemical Plant such as metallurgical inspection and drafting and design.
4. The Company and the Union agree that the utilization of Refinery employees as identified above will not deprive Chemical Plant employees of work that they are qualified to perform.
5. The Company and the Union agree that Chemical Plant employees may be required to report to the refinery for the purpose of training and skills enhancement.

Justin Lawrence
Manager, Human Resources

Date

Jim Payne
Secretary-Treasurer, Local 5

Date

Attachment 1

**LETTER AGREEMENT
JOB SECURITY**

The Company and Union agree for the duration of the Agreement with United Steelworkers, no employee represented by the Union will be subject to involuntary layoff, except for decreases in the level of operation caused by a sale of operating units, complete or partial plant closure, a merger or joint venture resulting in a change of managerial control, or an act of God.

Agreed to this _____ day of _____, 2015.

United Steelworkers International Union

Union

Tesoro

Ron Espinoza
International Representative

Thomas Lu
Vice President Refining

Attachment 2

Per the Letter of Agreement dated August 15, 2005, Martinez Refinery and USW, Local 5 agrees as follows:

1.
 - a. While training on the board, 'A' operators will not rotate to the outside jobs.
 - b. Until all 'A' operators on a specific shift are Board qualified, the two outside 'A' operators will rotate two days ARU/Loader – two days SAP/DEA/SRU/SCOT. Once all 'A' operators on a crew are Board qualified, they will rotate on a daily basis.
 - c. Shift Breakers will be assigned to follow the "four on, four off" schedule, normally scheduled on day shifts. Shift Breakers may be used on night shifts to fill vacancies, or as needed for operational reasons.
 - d. Head Operators, Shift Breakers and 'A' operators working or training on the board will be required to assist the outside 'A' operators as necessary.
 - e. Head Operators and Shift Breakers will assist in the training of 'A' operators.

Attachment 3

**MARTINEZ REFINERYCHEMICAL PLANT
LETTER OF AGREEMENT
FOUR-ON / FOUR-OFF SCHEDULE GUIDELINES**

These guidelines are for use in administering a 12-hour shift schedule, and apply only to employees working a 12-hour shift schedule.

1. HOURS OF WORK

Workweek: The workweek begins with the start of Day shift on Monday, and ends at the conclusion of the Night shift the following Sunday.

Day Shift: Day shift begins at 5:00 AM and ends at 5:00 PM.

Night Shift: Night shift begins at 5:00 PM and ends at 5:00 AM. Night shift is the last shift of the day.

Workday: A regular workday consists of a complete day shift or a complete night shift.

2. PAY

Base Rate: Pay rates established in the Articles of Agreement.

Factored Rate: Pay rates used for all hours worked as part of the master schedule. These rates are calculated by factoring the base rate by .8776.

3. OVERTIME

Inside the Schedule: Overtime hours built into the master schedule will be paid at one and one-half (1.5) times the factored pay rate.

Outside the Schedule: Overtime worked outside the master schedule will be paid in accordance with Article 6 of the Articles of Agreement.

The definition of overtime is in the Articles of Agreement

4. HOLIDAYS

The holiday will be considered the twenty-four (24) hour period, commencing with the start of Day shift on the actual calendar day on which the holiday falls and ending at the end of Night shift on the actual calendar day on which the holiday falls.

Employees required to work on any of the holidays as defined in the Articles of Agreement, shall be paid for work performed on such holidays at the rate of two and one-half (2.5) times their regular rate of pay.

An employee who works their regularly scheduled work day immediately preceding or following a holiday as defined in the Articles of Agreement, shall receive their regular straight time pay for eight (8) hours for such holiday not worked.

5. VACATIONS

Shift employees working a 42-hour average workweek will receive 42 hours vacation with full pay at the employee's base rate of pay plus average shift differential for each earned week of vacation.

For vacation taken in increments of less than one week, each hour of time taken off will be paid at the base rate plus the average shift differential. The minimum increment of vacation is twelve (12) hours. For each hour of vacation, the remaining vacation available will be reduced by one hour.

Should vacation remaining at year-end be less than twelve (12) hours, the employee may request one full 12-hour shift off, being paid only for the remaining vacation hours. The non-paid time off will not be counted in the Absence Control Program. Should the employee not be granted the time off, the employee will be paid the remaining hours.

If a holiday falls on a regularly scheduled workday, and that workday is taken as a vacation day, the vacation time will be paid at the base rate. When a holiday falls within an employee's vacation period, he/she shall receive holiday pay for that holiday. In addition, he/she may receive vacation pay for those eight (8) hours or at the employee's

option, an additional eight (8) hours of vacation time off immediately preceding or following their vacation period.

6. OTHER PAID TIME OFF

Other paid time off is paid at the factored rate for scheduled hours missed. Straight time hours paid count towards overtime calculations on the day taken.

Limits on paid time off are defined in the Articles of Agreement.

7. OVERTIME MEALS

Overtime meals shall be administered in accordance with Article 6 Section 6 of the Articles of Agreement.

Meal and meal pay guidelines are in the Articles of Agreement.

8. SHIFT DIFFERENTIALS

A 12-hour shift employee shall receive a night shift differential of one dollar (\$1.50) per hour for all hours worked (including overtime hours) during the night shift work hours. The shift differential is applied after factoring

Attachment 4**OVERTIME MEAL ALLOWANCE**

Article 6 Section 7 of the Articles of Agreement details when an employee is authorized an overtime meal or pay-in-lieu thereof. In consideration for the Chemical Plant adopting the following Overtime Meal Ordering Procedure, Martinez will increase the overtime meal allowance from \$12.00 to \$15.00.

OVERTIME MEAL ORDERING PROCEDURE**Step 1:**

Employee notifies supervisor (Shift Supervisor, Area Supervisor or Shift Superintendent, Maintenance Supervisor or Maintenance Superintendent) of intent to order an overtime meal. The supervisor will then determine if employee is entitled to the overtime meal. If the meal allowance is disapproved, the supervisor will notify the employee and provide explanation of denial.

Step 2:

Once employee has supervisor approval to order an overtime meal, employee may complete his/her menu selections on the appropriate forms for his/her Department/Unit available in the work centers, shops and control rooms. The forms are also available on SaFARi under the Forms/Operations Directory.

Once permission to order the meal is granted, employee legibly writes the approving supervisor's name in the "Approving Supervisor" space in the upper left hand side of the form, once permission to order the meal is granted.

Step 3:

Employee updates LTS by indicating the number of meals in the "Meals Eaten" section in the time entry. The supervisor will then approve the "Meals Eaten" by approving the line entry in LTS.

Step 4:

Employee faxes the approved form directly to the meal vendor. The original form must be placed in the "OT Meal Mailbox" at the unit or work area for auditing and reconciliation purposes.

Note:

- Verbal meal orders are prohibited.
- All meal forms must be hand written, no typed order are permitted.

- Unauthorized meals are prohibited: Ineligible, unauthorized meals will be deducted from employee's pay at \$15.00/meal.

Meal Ordering and Delivery Times

Must be Ordered Not Later Than	For Delivery By
4:30 a.m.	5:45 a.m.
7:30 a.m.	8:45 a.m.
9:45 a.m.	11:00 a.m.
12:00 p.m.	1:15 p.m.
3:15 p.m.	4:15 p.m.
5:00 p.m.	6:15 p.m.
6:15 p.m.	7:30 p.m.
7:00 p.m.	8:30 p.m.
8:30 p.m.	10:00 p.m.
11:30 p.m.	1:00 a.m.

Attachment 5**LETTER OF AGREEMENT
Chemical Plant – Lead Mechanic**

This will confirm our mutual understanding and agreement regarding the establishment of a Lead Mechanic classification in the Maintenance Department. The following is a summary of conditions relative to such assignments:

- When filing the job of Lead Mechanic, the Company will use Article 23, Section 3 of the Articles of Agreement.
- Staffing of the Lead Mechanic position will be at the discretion of the Company.
- Job duties of the Lead Mechanic will be:
 - Coordinating work with other mechanics, contractors, engineering and construction firms, etc.
 - Performing work not normally within the job scope of a Mechanic
 - Other work that may be assigned consistent with the customary duties of similar lead/head positions within the refinery.
- Mechanics assigned to the Lead Mechanic position will be paid a premium of \$1.00 per hour over the Top Mechanic pay rate.
- Assignment to this classification is not a permanent basis. The length of assignment to this classification is at the discretion of the Company. The Company maintains the right to return an employee to their former position, for any reason.

Attachment 6**MANDATORY STANDBY IN OPERATIONS**

Revision 1 2/28/02

- The Company will determine the numbers of employees per crew that will be required to standby to cover overtime needs. The Union will designate employees (designated standby) for each position that will be required to cover all overtime needs. Employees must be qualified in order to be designated to cover a position. In the event that coverage is inadequate, the Company may designate additional employees.

Note: Employees deemed shift workers would be given the latitude to formalize, in writing, a mandatory standby system that is different from the one listed below. By doing this, we provide maximum flexibility for operators to voluntarily fill standby assignments in whatever way is most attractive to the individual crews. The procedure used must be: (a) agreed to by a majority of the employees and, (b) be approved by the appropriate Area Superintendent. However, until an alternative Mandatory Callout Procedure is developed and approved by the Company, the operators must follow and abide by the mandatory callout procedure detailed below. In the event the alternative procedure selected fails to provide adequate coverage, the employees will be required to revert to the mandatory overtime procedure detailed below. If the mandatory program has been reverted to, it will remain in effect for six months. After such six months the operators may exercise the latitude provided in this note.

- A designated standby may trade or otherwise exchange standby assignments with qualified operators. However, it will be the sole responsibility of each designated standby to make arrangements, at least 24-hours in advance. Such arrangements will require written approval from the appropriate Operations Shift Supervisor.
- All employees impacted by the provisions of the Mandatory Standby Guidelines must have on record, a current telephone and/or pager number.
- An employee on standby must be able to reach the plant

within a reasonable time, but in no case longer than 3.5 hours after having been contacted to report to work.

- So long as the operational continuity of any department is maintained, the scheduling of standby assignments should not interfere with days off in conjunction with vacations scheduled in advance.
- Employees, who become sick, injured, or otherwise unavailable when on standby, must notify Security Control as far in advance as possible that they are not available for the designated shift(s). Security Control will notify the appropriate Shift Supervisor, who will contact the Head Operator. The Head Operator will be responsible for designating another qualified employee as a replacement standby. The Head Operator must contact the person identified as the replacement as soon as possible. This information must be passed on to the appropriate Shift Supervisor.
- Failure of the standby to report to work as required will be considered a "failure to report to work."

MANDATORY CALLOUT GUIDELINES

The mandatory standby system outlined on the Letter of Agreement, dated August 15, 2005, must be used until an alternative system is in place or until it has been determined by management that the alternative system being used has failed to:

1. Provide proper on-shift coverage for all staffing shortages
2. Minimize the impact on employee time off and/or
3. Maximize the predictability of standby assignments

The mandatory overtime provision should not be used to accommodate training needs or vacancies created for the convenience of the Company (e.g. step-ups outside bargaining group, training of other Operators).

MANDATORY STANDBY GUIDELINES

1. Standby responsibility is assigned on a rotating basis to personnel that will be on a day-off for the assigned day.
2. All qualified crewmembers have responsibility to be on standby (including qualified Trainees).
3. The standby assignment requires the employee to be available to work the assigned shift for one (1) hour prior to shift change through one-half (1/2) hour after shift change. If you are not called during the standby period, you are no longer obligated to come in if you are called later that day. The official mandatory standby times are (4:00 am to 5:30 am and 4:00pm to 5:30pm).
4. Employees on their days off will be called before a person on the standby list is required to report. Head Operators must initiate initial contacts with employees on their days off with enough lead-time to satisfy the requirements listed above.

MANDATORY STANDBY SCHEDULING

1. Using the Mandatory Standby Guideline determines the number of qualified Operators per job classification that will be required to be on standby at any one time.
2. Operators coming off day shift, who are scheduled for mandatory standby will be required to report to work if called, within the time period prescribed, on their first and last day of their scheduled four (4) days off.
3. Operators coming off night shift who are scheduled for mandatory standby will be required to report to work if called, within the time period prescribed, on their second and third days of their scheduled four (4) days off.

Attachment 7

SPECIALIST CATEGORIES

General guidelines are as follows:

There will be seven (7) total classifications: Pipefitting, Machinist, Welder, Transportation, Miscellaneous, Instrument and Electric.

In each category we will list the most critical skills necessary to perform tasks within the craft.

Each skill will be listed from the most difficult/highest skill to the least difficult/lowest skill requirement.

Each task on the list will then have a number assigned; i.e., 10, 9, 8, etc. The higher numbered tasks will be the more difficult or require the most skill.

After all tasks are listed and numbered we will total the entire spreadsheet. This total will reflect the skill level of a highly skilled person with top journeymen level skills in all crafts.

We will agree on a percentage level of these skills required to obtain the Specialist

Each craftsmen will be evaluated on all the agreed upon skills by his immediate supervisor and superintendent. The supervisor and superintendent will denote that the craftsmen either has the skill or does not possess the skill. In the event of a discrepancy and/or disagreement in the skill level of the employee, the Union and the Company will agree to allow the employee to display his skill. If the employee possesses the skill they will receive full point value. If they do not, they will receive none of the point value. Portions or fractions of the point value will not be used.

After evaluation, the craftsman's points will be totaled. If the craftsman's total is the agreed upon percentage or higher of the overall total he/she will be eligible for the Specialist Classification.

The Company will work with the Union and employee to provide the opportunity to train for skills required for the Specialist Classification.

**Chemical Plant
Instrument & Electric Specialist Matrix**

Instrument Tech		Electrician		Analyzer Tech		DCS	
10	Service/Repair all Instr.	10	Service/Repair all Elect	10	Service/Repair all Analyzers	10	Repair Bailey
8	Calibrate Pneumatic Instr.	8	Troubleshoot Motor Controls	8	Calibrate Analyzers	10	Repair PLCs
8	Calibrate Electronic Instr.	7	Install Conduit	7	PM Analyzers/Sample Systems	10	Program Bailey
7	Install Instrumentation	7	Discrecon. Electrical Equipment	8	Install Analyzers		
6	Loop Checks	5	Relamp all Ind. and Lights				
5	Controller Tuning	5	Flame Scanners				
5	Control Valve Repairs/Calib.	5	Alarm Panels				
48		47		31		30	

Point Total = 256
Minimum Requirement 70% = 179

	Pipefitter		Transportation		Miscellaneous
8	Bend/Install Tubing	7	Forklift Operator	9	Can Read and Understand P&IDs
7	Make Up Flanges	5	Manlift Operator	8	Computer Skills
7	Make/Cut Gaskets	5	Scissor Lift Operator	5	Use of Engineering Standards
6	Fabricate Screwed Pipe	5	Drott Operator	8	Process Knowledge
5	Blinding			5	Knowledge of A.H.M.s
				5	Bearing Replacement
				4	Safety Checks
33		22		44	

**Chemical Plant
Mechanic Specialist Matrix**

	Pipefitter		Welder		Machinery		Transportation		Miscellaneous
10	Draw/Read Pipe ISOs	10	Pipe Welding/Pressure	10	Advanced Machinery	10	Crane Operator 22T	9	Read and Understand P&IDs
9	Measure/Layout Pipe	10	Boilermaker	9	Pump Overhaul	9	Rigging	8	Computer Program/Systems Skills
8	Bend/Install Tubing	9	Plate/Strength Welding	8	Field Maintenance	8	Crane Deck Operator	7	Builder
8	Make Up Flanges	9	Pipe Fabrication	7	Basic Machinery	7	Forklift Operator	6	Internal Column Work
7	Make/Cut Gaskets	8	Cutting/Burning/Torch	7	Alignment	6	Manlift Operator	5	Use of Engineering Standards
7	R/R Sight Glasses	7	Use of Plasma Cutter	7	Valve Repair	5	Scissor Lift Operator	5	Knowledge of A.H.M.s
6	Fabricate Screwed Pipe	7	Use of Air Arc	6	Read Drawings/Prints			4	Safety Checks
5	Blinding	7	Use of Mig Welder	6	Parts Measurement				
5	Gasket/Join Compound 1D			5	R/R Rotating Equipment				
				4	Vibe Data Collection				
				4	Oil Rounds				
65		67		73		44		44	

Point Total = 293
Minimum Requirement 70% = 205

Attachment 8

NORMAL PROGRESSION	
Qualification	Comments
OHT to East Pad / West Pad / Loading	A Operator pay
Operator A to Board	Board Operator pay while working the Board
Board Qualified to HSO/Shift Breaker	HSO pay while working the job

KNOWLEDGE PAY	
Qualification	Pay
Maintain qualification on East Pad & West Pad	\$0.50 per hour premium
Maintain qualification on Board	\$0.75 per hour premium
Maintain qualification as HSO	\$0.75 per hour premium